



General Assembly

February Session, 2020

Raised Bill No. 5210

LCO No. 1420



Referred to Committee on COMMERCE

Introduced by:
(CE)

***AN ACT CONCERNING NONCOMPETE AGREEMENTS IN THE
BLOCKCHAIN TECHNOLOGY INDUSTRY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Blockchain technology" means distributed ledger technology that
3 uses a distributed, decentralized, shared and replicated ledger that may
4 be public or private, permissioned or permissionless and that may
5 include the use of electronic currencies or electronic tokens as a medium
6 of electronic exchange;
- 7 (2) "Blockchain technology industry employer" means an entity
8 engaged in blockchain technology business who has employees;
- 9 (3) "Blockchain technology employee" means any employee of a
10 blockchain technology industry employer; and
- 11 (4) "Distributed ledger technology" means any database that is
12 consensually shared and synchronized across multiple sites, institutions
13 or geographies allowing for public witnesses to such transactions and

14 may include supporting infrastructure, including blockchain
15 technology, that uses a distributed, decentralized, shared and replicated
16 ledger, whether public or private, permissioned or permissionless, and
17 that may include the use of electronic currencies or electronic tokens as
18 a medium of electronic storage.

19 (b) No blockchain technology industry employment contract for the
20 services of a blockchain technology employee may contain a provision
21 requiring that such blockchain technology employee:

22 (1) Refrain from obtaining employment in a specified geographical
23 area for a specified period of time after termination of employment with
24 such blockchain technology industry employer;

25 (2) Disclose the terms or conditions of an offer of employment, or the
26 existence of any such offer, from any other blockchain technology
27 industry employer following the expiration of the term of the
28 employment contract; or

29 (3) Agree to enter into a subsequent employment contract with the
30 blockchain technology industry employer, or extend or renew the
31 existing employment contract, upon the same terms and conditions
32 offered by a prospective employer.

33 (c) Any person who is aggrieved by a violation of this section may
34 bring a civil action in the Superior Court to recover damages, together
35 with court costs and reasonable attorney's fees.

36 (d) The provisions of this section shall apply to blockchain industry
37 employment contracts entered into, renewed or extended on or after
38 July 1, 2020.

| | | |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | New section |

Statement of Purpose:

To prohibit the use of noncompete agreements in the blockchain technology industry.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]